

Support HB 13-1238
Funding Issues Related to Medical Marijuana
Representative McCann and Senator Newell

**HB-1238 is now completely different from its introduced version, and is now a Department of Revenue needed fix.*

Problem:

There is a stagnation of review of medical marijuana business applications at the state level, some in excess of two years, based on delays by local approving authorities.

Partial Solution- HB 1238:

- De-couples state licensing from local licensing by allowing the state licensing authority to approve applications on a conditional basis *without the statutorily-required local authority approval*.
- The “condition” associated with state issuance is that the applicant is required to secure local approval within one year.
- This proposal has received a positive recommendation from the State Auditor in its March 2013 Performance Audit (pages 37-38: “Verification of Local Approval”).
- Distinguishes between the two types of applicants who will be subject to the “decoupling” licensing procedure: those that filed on August 1, 2010, who are subject to the applicability provisions of Section 12-43.3-103(1)(b), C.R.S.; and, those that filed or will file after July 1, 2012, who are *not* subject to the provisions of 12-43.3-103(1)(b).
 - The key provision in section 103 of article 43.3, is that those who filed in 2010 may continue to operate their previously established businesses while their applications remain pending, whereas, those who applied post-moratorium cannot operate until local and state licenses are both issued.
- The new provisions in Section 3 (page 4, lines 11-27; page 5, lines 1-12) relieve an over-burdensome reporting requirement for current and future licensees.

Fiscal Impact:

The division does not anticipate any identifiable fiscal impact in FY 13, since the division has begun the process of collecting license fees from both pre- and post-moratorium applicants. The amendment will ensure a steadier and more measurable revenue stream in out years (FY14, forward) as licenses are issued and the annual license cycle is started.

Supporters:

Department of Revenue
Colorado Counties Inc.
Colorado Municipal League